



SALES AND USE TAX BULLETIN

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All-Terrain or Off-Road Vehicles and Texas Use Tax

If you purchased or obtained an all-terrain vehicle (ATV) or an off-road vehicle from outside Texas, you might owe Texas use tax.

What is use tax?

Use tax is a complement to sales tax and has been in place since 1961.

Use tax applies to all taxable items (including ATVs, off-road vehicles and accessories) purchased outside Texas for use here. It applies to both businesses and individuals, and is imposed when a taxable item is first brought into Texas. The tax rate is the same as the sales tax rate where the item is being used, not where the item was purchased.

Why should I voluntarily pay use tax?

It's the law. In an effort to enforce compliance with Texas tax laws, the Comptroller's office gathers sales information from various sources and bills Texas residents for unpaid tax, penalty and interest.

By voluntarily paying the Texas use tax legally due, you will avoid being billed for unpaid tax and additional penalty and interest charges.

What are the Texas use tax rates?

The state use tax rate is 6.25 percent, the same as the state sales tax rate. Depending on where you are using the item you purchased, you may owe up to 2 percent in local use taxes.

If you paid another state's sales or use tax on the merchandise, you can take a credit for the amount of sales or use tax paid to the other state.

Use our tax rate locator at <https://mycpa.cpa.state.tx.us/atj/addresslookup.jsp> to find tax rate information.

How do I pay Texas use tax?

If you have a Texas Sales and Use Tax Permit, report your purchases on your Texas Sales and Use Tax Return in Item 3, "Taxable Purchases."

If you do not have a Texas Sales and Use Tax Permit, and the seller did not collect Texas sales or use tax on your purchase of taxable items, report your purchases on the Texas Use Tax Return (Form 01-156). The form and additional information are available at comptroller.texas.gov/taxinfo/use/.

When is use tax due?

The tax return and payment are due on or before the 20th day following the period during which the taxable items subject to use tax are brought into Texas.

If the 20th day falls on a Saturday, Sunday or legal holiday, the due date for the return and payment is the next business day.

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